Executive summary

Ksal General Constracting has been conducting construction and renovation services for governmental departments in the Region of Peel and surrounding municipalities for the past three years. The company is relatively small compared to the competition in its sector.

Ksal Genral Contracting is committed to providing quality services that will not only satisfy its direct client, the governmental institutions, but also all other stakeholders that are affected by its services (such as local populations). Through costumer satisfaction and consistency in services rendered, Ksal General Contracting aims to achieve customer retention and recognition, becoming a leader in its industry.

Ksal General Contracting’s success in satisfying current clients, provides the perfect opportunity for the company to grow and gain competitive advantage. Even though Ksal General Contracting is smaller then its competitors, if it implements the right tactics it can easily grow to its competition’s level.

With a stronger brand management, awareness and online presence, the company will be able to create a strong reputation that will be the foundation for an expansion in services.

Based on the analysis of Ksal General Contracting’s current opperations, target market, competitive environment, and business objectives this plan proposes a marketing strategy to support the company’s growth and overall success mission.

**1 -Situation Analysis**

In order to assist Ksal in fulfilling its mission and carry on its services, we will analyze Ksal

*1.1 -Current Issues*

The main current issue for Ksal General Contracting is that it does not have any online presence or any form of marketing initiative in place. Overall, Ksal General Contracting’s brand image is inappropriately managed.

The company does not manage its online presence at all, which can be critical for its success. Ksal General Contracting does not implement basic web strategies such as Search Engine Optimization for example. Therefore, when Ksal is typed into a search engine, the name search yields highly inappropriate and irrelevant results.

This lack of brand management, both online and offline, might negatively affect the company’s brand image and reputation, making it inferior to competitors. This is aggravated by the fact that Ksal General Contracting does not have a company website, which makes it difficult for a user to search for information about the company itself. Creating an online marketing campaign for Ksal General Contracting will increase their online brand identity,

*1.2 – Target Market (talk about more the market)*

Ksal General Contracting target market is comprised of the Region of Peel and the Provincial governments. The next commercial objective for Ksal General Contracting is to turn the federal and provincial governments into long term, contracted, clients. The objective is to take charge in more of the governments’ projects as well as maintaining their current region of Peel projects.

*1.5 – Marketing mix*

***Product/ services*:** The services that the Ksal General Contracting offers are mainly small-scaled construction and renovation projects. Ksal General Contracting’s projects are all currently geographically based in the municipalities and districts of the Peel region. These projects are generally construction of small sized buildings, renovations (ex: for GO transit department), construction of restroom pavilions, and general construction related modifications.

***Price*:** Ksal General Contracting service’s prices range from $50,000 to $1,5 million Canadian dollars. The prices are set according on the project and budget that is given by the clients.

***Placement*:** The Company’s services are currently available for the region of Peel’s municipalities, cities and districts.

***Promotion:*** Ksal General Contracting currently has no specific or concrete marketing strategy or advertising campaign. The company basically uses a Word of Mouth marketing as a promotional tool and maintains the flow of projects based on publicity (free and spontaneous promotion).

*1.4 – Macro-analysis*

In order to implement an effective marketing strategy, we analyzed 4 macro-factors that Ksal’s management cannot control but that nonetheless influence its Marketing Mix (service, price, placement and promotion), . The analysis of these factors sets the basis for contingency planning, which is crucial to ensure the company will meet its goals and objectives as expected, minimizing the exposure to risks

1 – Political/Legal influences

Ksal’s main focus is to maintain business relations with the government. Therefore political considerations such as which party is in power and who is the current prime minister, directly affects the relationships Ksal will have with its clients. Ksal has to be informed of the particulars of each party and candidate’s position in order to establish a good and long-lasting relationship with its client.

The political scenario also influences the regulatory system and any variations that might occur within it. The current party in charge is responsible for creating, modifying or maintaining regulations for construction. Ksal’s management needs to be aware of all the happenings on that environment since it might affect services, prices and even placement of its services. Also, attentiveness to legal factors might avoid unnecessary costs and legal fees. Therefore, it is very important to be aware of any particular legal requirements for government construction – if there are any regulations that apply only to government constructions and not to regular constructing, Ksal needs to follow them.

2- Economy

Again due to the nature of its main client (the government), Ksal is extremely dependent on the municipal, provincial and national macro-economic situation. The general economic scenario influences the budget that is allocated yearly to construction initiatives. Thus, if the economy is doing well, Ksal has more chances of getting service contracts. On the other hand, if Canada is facing an economic downturn (even as a reflex of an international crisis), there will be a reduced budget for construction, which might affect Ksal’s profits for that period.

3- Geographical Issues

Natural disasters and extreme weather conditions directly affect the construction industry. These events can delay deadlines and increase budgets on a very short notice. Ksal need to prepare for that by creating contingency strategies and possibly including considerations for them in the contract signed with the client.

4- Competition

The competitive environment in which Ksal operates is intense.. In this particular stream of the industry, there are many competitors and just one client. The Canadian governmental institutions only have a limited budget to allocate to construction initiatives, and therefore they will most likely opt for the lowest price offered by a company to perform a service. Ksal needs to ensure that their services are priced competitively, their quality is standard and the government views them as superiors to their competitors.

***2- Strategic Analysis***

For this section of our marketing plan, we analyzed how Ksal is placed in relation to its competition. In order to fully understand how the company operates strategically, we conducted a SWOT analysis and applied Porter’s 5 forces model of the industry. The insights provided by these assessments were utilized to substantiate Ksal’s marketing plan and objectives as well as point out key factors that will elad it to success..

*2.1 Porters 5 force model*

1- Bargaining power of suppliers

The bargaining power of Ksal’s suppliers is low. Even though Ksal usually buys its construction material from the same suppliers, there are several suppliers interested in making deals. The company can benefit form this low supplier power by efficiently bargaining prices with suppliers, lowering the costs incurred in their projects and maximizing the end-profits.

**2 – Bargaining power of costumers**

Since there are very few government institutions in relation to the large amount of construction companies willing to serve them, the bargaining power of customers is high in the industry. This can be prejudicial for Ksal’s operations since they might have to lower their prices to meet the client’s expectations, reducing the company’s bottom-line profits.

**3 – Threat of new entrants**

The threat of new entrants in this sector is high. The governmental construction sector is highly profitable, especially in a growing economy such as Canada’s. Therefore there are many new companies interested in rendering services to this extremely limited market niche. As a result, it is extremely important for Ksal to establish its presence as preferred contractor before the market becomes saturated with other companies.

**4- Threat of substitutes**

There is no threat of substitutes for Ksal’s services. This force does not really apply to Ksal’s operations since construction and remodeling cannot be substituted by other activities. The only possible substitution would be by same services rendered by competitors.

**5- Competitive Rivalry**

Competitive rivalry is high in the industry sector Ksal operates in. The bargaining power of clients and the threat of new entrants is high. There are currently about 5 big companies that compete for the same contracts that Ksal is interested in. Ksal is smaller than most companies it competes with, making it even more of a struggle to sign new contracts with its clients. In this circumstance it is crucial for Ksal to have a competitive pricing but also go beyond that, implementing a strategy that will differentiate it from its competition, regardless of its size.

*2.2- SWOT Analaysis*

***Strength* –**The strength that Ksal General Contracting possesses is their high quality of work that is delivered to their clients. They have consistent efficiency and cater to the clients’ needs effectively.

***Weakness*** – Ksal General Contracting’s weakness is the size; the company is relatively smaller (in terms of employees and financially) than its competition . It is a company based on a limited number of workers, and budgets, making it challenging to conduct large-scaled projects. Ksal General Contracting’s competitors, consequently sign the projects that are too big for Ksal General Contracting to undertake.

***Opportunities* –** Ksal General Contracting is looking into possible expansion opportunities in terms of projects and clients in the near future. The expansion of clients includes establishing long-term construction and renovation contracts with both the Canadian federal and provincial government. Also, Ksal General Contracting is seeking more construction projects within the region of Peel and extending their current business plans. Getting more services in the current target market is a great opportunity for Ksal General Contracting to generate more income, allowing it to grow financially.

***Threat*s –** The largest threat that Ksal General Contracting faces is competition. There are a number of big name companies, as previously mentioned Alpiza, HN construction and John Pace, that provide the same services as Ksal. Furthermore, there is always the threat of new contracting companies entering the industry and competing for the same contracts as Ksal General Contracting.

***2.3 -*** *Conclusions*

From the two models, we conclude that Ksal General Contracting has a lot of potential and opportunities to grow within its industry. The company’s weakness is mostly its size, which is keeping it from tackling its opportunities of expansions. In order to solve this paradigm, we suggest that Ksal General Contracting focuses on its strength, which is quality and consistency of services, and focus on its brand management. Promotion and brand awareness is also important because the company faces a fierce competition and needs to create strategies that will differentiate Kasal General Contracting from its from competitors.

In the following section we will outline the marketing objectives that were generated based on the strategic analysis of Ksal’s operations.

*3 – Marketing Objectives*

Ksal General Contracting’s long-term goal is to expand its operations to render services to the Canadian Federal Government. However, in order to achieve that goal, the company first needs to reach substantial and steady revenue within its current target market.

The objective of the proposed marketing plan is to create a strong and positive corporate brand image that will support the business expansion objective. A well-constructed online and offline presence will collaborate towards establishing relations and communications with the governmental divisions. A strong brand will differentiate Ksal General Contracting from competitors, increasing its revenues and putting the company in a position to start services with the federal Government.

Once all the promotional and branding activities are in place, after a one-year period at the most, all governmental departments of the Peel region and the Provincial Government and some departments of the Federal Government should also be aware of Ksal General Contracting’s services. In order to measure how well they will meet these objectives Ksal General Contracting should:

* *Conduct a before and after survey*:

Before the finalized implementation of the online presence and new branding, Ksal General contracting should survey its current target market and determine how well the brand is know within it. A simple question and answer along the lines of “do you know what Ksal General Contracting is? Are you aware of its services?’ would suffice.

After the corporate website is fully implemented and the new branding is adopted, the same survey should be conducted once more and the answers of both, the before and after, surveys should be compared. If the plan was effectively implemented, the awareness will have increased.

* *Traffic monitoring*

Kasal General Contracting should monitor the user traffic to its website not only in terms of volume but also in terms of quality. The company can use IP tracking tools to determine if the website is drawing traffic from governmental computers. Furthermore, an increase in traffic in general can also be seen as a positive sign that the branding was effective since government workers might be accessing the website form their own devices and remote locations.

The key indicators in an operational level of a successful marketing strategy, after one year, will be:

* Customer retention (more services with current governmental sectors)
* Referral of the company to larger governmental sectors such as the Federal Government of Canada
* Increase in bottom line profit

With the finalized implementation of this plan, as a result of increase in brand awareness and positive differentiation from competitors through the promotional efforts, the objective is to increase by 50% (2 additional services) the number of services rendered to the current target market by the end of the first year of the implementation of plan and get one service for the federal government.

The long-term, and ongoing goal, is to establish a brand presence that is consistent with Ksal’s mission to commit to quality services and customer satisfaction. Furthermore, in the long-run, the increase in services to the Federal department will help the company grow and reach the same financial and operational level as its competitors.

Throughout the implementation of this marketing plan, Ksal General Contracting’s management should monitor costumers’ satisfaction with current services, their awareness of online presence (monitoring traffic to the website) and if possible, inquiry clients on their overall perception of Ksal General Contracting as a business and brand.

*4- Marketing Strategy*

Ksal’s General Contracting’s success is highly dependent on its differentiation of competition and brand management. Therefore, as concluded in the preivious sections, it is crucial company to allocate part of their budget to the following marketing activities:

1. **Logo and Visual Identity *(Appendix A)*:** First, the Company needs to create a strong brand image by creating a logo and adopting a consistent visual identity (color scheme). This will create the basis of branding and corporate identity to be used in any other promotional initiative by Ksal General Contracting. It will standardize the brand representation and facilitate its recognition by the target market.
2. **Corporate website (*Appendix B)*:** Second the company needs to apply the new brand image to an online presence by creating a corporate website. With a consistent brand image offline, this step is another fundamental to differentiate Ksal General Contracting from its competitors, since none of them have an online presence. A website will also make information on Ksal General Contracting more accessible to its clients.
3. **Adapt print documentation (*Appendix C)*:** Third, Ksal General Contracting needs to implement the new branding to its existing print documentation (press releases and informative brochure) and make it available on their website as downloadable Portable Document Files (.pdf extension). The standardization will further contribute to the branding initiative and professionalism of Kasal General Contracting’s documentation.
4. **Online Portfolio (*Appendix D)*:** Fourth, an online portfolio of Ksal’s previous services to the government will be uploaded to the corporate website. This will serve as prove of Ksal General Contracting’s quality of service, showcasing previous successes.
5. **Search Engine Optimization (*Appendix E)*:** Lastly, Ksal General contracting needs to manage its online presence through efficient use of Search Engine Optimization techniques. Searches with keywords related to government and municipalities of Peel constructions will yield Ksal’s website as a result. The company needs to be findable by clients online and have its reputation managed appropriately, in order for this strategy to be successfully implemented.

All the images of the proposed strategies, as well as a description of the SEO implementation are included in this Marketing Plan in the Appendix section.

*Disclaimer:* All the photographs included in the documents are merely placeholders. Ksal General Contracting should hire a professional photographer (included as part of the estimated costs) and substitute the placeholders with its own images.

5- *estimated cost*

The main costs for this marketing plan implementation would be:

1. Graphic designer: $2500 (at a $25 hourly rate)
2. Domain name registration: $10 per year
3. Web hosting: $120 ($10 per month)
4. Printing: $800 for informative brochures and $150 for press releases
5. Web Expert for SEO services: $1250 (at a $25 hourly rate)

Total estimated cost: $4830

Considering that in the past 3 years, Ksal General Contracting earned an average bottom line profit of $2,252,333.33, an investment of $5000 into managing its branding strategies would be viable. More than that, it would be a small investment compared to the outstanding benefits it might bring to the company in both short and long terms.